

Message Text

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PAGE 01 MADRID 06999 01 OF 02 081406Z

43

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 SAM-01 EB-04 FEAE-00 IO-10 /070 W

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R 081217Z DEC 74

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 393

INFO /AMEMBASSY LISBON 1163

US MISSION NATO 483

USCINCEUR

C O N F I D E N T I A L SECTION 1 OF 2 MADRID 6999

E.O. 11652: GDS

TAGS: PGOV, PINT, SP

SUBJ: FALL OUT FROM RECENT CABINET CHANGES

REEF: MADRID 6942

1. BEGIN SUMMARY: LEADING OFFICIALS BELOW MINISTERIAL LEVEL IN MINISTRIES OF INFORMATION AND TOURISM AND FINANCE HAVE RESIGNED IN LAST FEW DAYS, SOME IN OPEN PROTEST AGAINST DISMISSAL OF MINISTERS. PRESTIGIOUS PRESIDENT OF INA, SPAIN'S GOVT-OWNED HOLDING COMPANY, HAS ALSO RESIGNED AND INA'S PETROLEUM SUBSIDIARY INTASA PRESIDENT HAS FOLLOWED HIM. JOURNALISTS IN LARGE NUMBERS OF SPANISH CITIES HAVE SENT TELEGRAMS TO PRESIDENCY AND TO MINISTRY OF INFORMATION AND TOURISM OBJECTING TO PIO CABANILLAS' DISMISSAL AND PRAISING HIS WORK IN DEFENSE OF LIBERALIZED PRESS. STATEMENTS BY ENTRENCHED FALANGE/MOVEMENT LEADERS AND VETERANS ORGANIZATIONS HAVE STRENGTHENED IMPRESSION THAT RIGHT IS TRYING TO FURTHER STRENGTHEN ITS POSITION AFTER LATEST CABINET CRISIS. POLITICAL OBSERVERS HAVE NOTED VISIBLE CHANGE IN ARIAS' PERFORMANCE AND DEMEANOR IN WAKE OF CRISIS AND BELIEVE THAT, DESPITE HIS AND OTHER RESTATEMENTS OF PLEDGE TO CONTINUE LIBERALIZATION PROGRAM, PRESENT GOVT HAS LOST SOME OF ITS CREDIBILITY.

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PAGE 02 MADRID 06999 01 OF 02 081406Z

END SUMMARY

2. RANKING MINISTERIAL COLLABORATORS OF OUTGOING MINISTERS
PIO CABANILLAS AND BARRERA DE IRIMO HAVE RESIGNED IN PAST WEEK.
MEDIA HAVE REPORTED EXTENSIVELY ON RESIGNATIONS OF WELL-
KNOWN SUPPORTERS OF LIBERALIZATION SUCH AS MARCELINO OREJA
AGUIRRE, SUBSECRETARY IN MINISTRY OF INFORMATION AND TOURISM,
AS WELL AS LUIS CEBRIAN WHO WAS IN CHARGE OF TV NEWS, AND
JUAN JOSE ROSON, THE HEAD OF BOTH RADIO AND TV, PLUS OTHERS IN
CULTURAL AREA, INCLUDING RICARDO DE LA CIERVA, DIRECTOR GENERAL
OF POPULAR CULTURE. AT LEAST ONE PRIVATE TOURIST ORGANIZATION
HAS EXPRESSED ITS DISAPPOINTMENT THAT PIO CABANILLAS, WHO WAS
DOING UTMOST TO MAINTAIN LEVEL OF TOURISM DESPITE WORLD ECONOMIC
CRISIS, HAS LEFT THE SCENE. LOCAL NEWSPAPER REPRESENTATIVES
IN NUMBER OF SPANISH CITIES (BILBAO, VALENCIA, VIGO, BARCELONA,
ETC.) HAVE CABLED PRESIDENCY AND MINISTRY OF INFORMATION AND
TOURISM TO EXPRESS DISILLUSIONMENT WITH PIO CABANILLAS'
DEPARTURE AND APPREHENSION THAT CHANGE MIGHT INTERRUPT PACE
OF LIBERALIZATION IN MEDIA. IN UNPRECEDENTED MOVE, FOREIGN
JOURNALISTS' ASSOCIATION HAS ALSO ISSUED STATEMENT PRAISING
HIS SUPPORT FOR LIBERAL PRESS. CLOSE COLLABORATORS OF FORMER
MINISTER OF FINANCE HAVE ALSO RESIGNED. IN ADDITION, WELL-
KNOWN AND RESPECTED PRESIDENT OF SPAIN'S GOVT-OWNED HOLDING
COMPANY, INI, FERNANDEZ ORDONEZ (PROTEGE OF BARRERA), ALSO
HAS RESIGNED AS WELL AS DIRECTOR OF INI'S PETROLEUM HOLDING
COMPANY, INTASA, PEREZ ESCOBAR, WHO ALSO WAS THE PRESIDENT
OF FINANCE COMMISSION IN DEVELOPMENT PLANNING GROUP LED
BY MINISTER OF ECONOMIC PLANNING.

3. MEDIA CONTINUE WITH COMMENTARY PRAISING ACHIEVEMENTS OF
OUTGOING MINISTERS, PARTICULARLY IN AREA OF LIBERALIZATION
OF MEDIA AND EFFECTIVENESS IN MANAGING SPAIN'S ECONOMY.
OBSERVERS HAVE ALSO NOTED THAT PREMIER ARIAS NAVARRO, IN HIS
COMMENTS BEFORE AND AFTER MINISTERIAL CHANGES AT NO TIME
CRITICIZED OUTGOING MINISTERS BUT RATHER PRAISED THEM FOR THEIR
WORK INCLUDING THEIR LOYALTY TO GOVT PROGRAM. OBSERVERS
THEREFORE HAVE INTERPRETED THIS AS ADDITIONAL EVIDENCE THAT ARIAS
HIMSELF DID NOT MAKE OR SUPPORT DECISION TO REMOVE PIO
CABANILLAS, WHICH WAS TAKEN AT HIGHER POLITICAL LEVEL. AT
SWEARING-IN CEREMONY OF NEW MINISTERS OCT 31, ARIAS REPORTEDLY
WAS VISIBLY MOVED AND DISTURBED, AND REPORTEDLY FOR FIRST TIME
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PAGE 03 MADRID 06999 01 OF 02 081406Z

IN HIS PUBLIC APPEARANCES SINCE BECOMING PRESIDENT SEEMED TO
HAVE DIFFICULTY ARTICULATING HIS WORDS. LOCAL CORRESPONDENT
WAS TOLD BY PRESIDENCIA SOURCE THAT ARIAS WAS SO UPSET AT LOSS
OF CABANILLAS AND BARRERA THAT HE FELT OBLIGED TO LAUD THEM
IN EXTEMPORANEOUS REMARKS AT FAREWELL CEREMONY EVEN THOUGH
SCRIPT CALLED FOR PRO FORMA COMMENTS ONLY. MOREOVER,
COMMENTATORS

HAVE NOTED THAT IN HIS SEPT 11 PRESS INTERVIEW, ARIAS HAD
PRAISED MEDIA FOR THEIR EFFECTIVE JOB IN EDUCATING SPANISH
PEOPLE ABOUT CURRENT ISSUES AND PREPARING THEM FOR POLITICAL
PARTICIPATION.

4. UNDERSTANDABLY, LAST WEEK'S ABRUPT CABINET CHANGES
AND ENSUING RESIGNATIONS HAVE GIVEN IMPRESSION OF SOME DISARRAY
WITHIN ARIAS TEAM. THIS IMPRESSION OF DISARRAY HAS BEEN
HEIGHTENED BY RUMORS OF PAST THREE DAYS (REFTEL) TO THE
EFFECT THAT ARIAS WOULD SOON RESIGN OR BE DISMISSED AND MOST
PROBABLY BE REPLACED BY NAVY MINISTER PITA DA VEIGA. DURING
PAST TWO DAYS PRESIDENCIA HAS SOUGHT TO REBUT RUMORS AND
STRENGTHEN IMPRESSION OF BUSINESS AS USUAL WITHIN CABINET AND
PRESIDENCIA BY PLANTING REPORTS IN PRESS THAT RUMORS UNFOUNDED
AND BY ENCOURAGING FULL PRESS COVERAGE AND PHOTOS OF NOV 7
AND NOV 8 CABINET MEETINGS SHOWING ALL PRESENT AND ACCOUNTED
FOR AND WORKING HARMONIOUSLY.

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PAGE 01 MADRID 06999 02 OF 02 081440Z

43

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-02

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C O N F I D E N T I A L SECTION 2 OF 2 MADRID 6999

5. OBSERVERS NOW BELIEVE THAT RIGHT-WING, PARTICULARLY THOSE
ENSCONCED IN NATIONAL MOVEMENT, HAVE DECIDED TO SUPPORT
INCREASED POLITICAL PARTICIPATION BUT ON THEIR TERMS. KEYNOTE
SPEECH WITHIN MOVEMENT ANNOUNCING THIS APPROACH WAS SPEECH BY
LABADIE ON OCT 29 COMMEMORATING FOUNDING OF SPANISH FALANGE
(MADRID 6860). ALTHOUGH LABADIE ENDORSED PRESENT GOVT'S

POLITICAL PROGRAM, EMPHASIS WAS ON PROVIDING SPANIARDS WITH MORE "SOCIAL JUSTICE" RATHER THAN ON "POLITICAL PARTICIPATION". SPOKESMEN FOR MOVEMENT, PARTICULARLY FORMER SECGEN FERNANDEZ CUESTA IN INTERVIEW WITH "LA VANGUARDIA" (INDEPENDENT) NOV 11, REITARATED THEMES IN LABADIE'S SPEECH. HE STATED QUITE CLEARLY THAT "POLITICAL ASSOCIATIONS IN SPAIN WOULD HAVE TO BE SUBJECTED TO CERTAIN LIMITATIONS TO PREVENT THEM FROM BECOMING POLITICAL PARTIES." THESE ASSOCIATIONS, HE SAID, COULD BE NEITHER "IDEOLOGICAL NOR HAVE DIRECT REPRESENTATION IN THE CORTES OR NATIONAL COUNCIL OF THE MOVEMENT" IN ANOTHER CEREMONY OCT 31, HELD BY A VETERANS ORGANIZATION AT THE VALLEY OF THE FALLEN IN ESCORIAL, KEYNOTE SPEAKER REFERRED TO A STATEMENT BY FORMER FALANGE LEADER AND FORMER MINISTER OF PUBLIC WORKS JOSE ANTONIO GIRON THAT "THE FIRST AND LAST COMMITMENT OF THE STATE FROM THE CIVIL WAR WAS TO CARRY OUT ONE AND ALL OF THE NATIONAL REVOLUTION'S PROPOSALS". SPEAKER REFERRED TO THESE AS LYING PRINCIPALLY IN THE AREA OF SOCIAL JUSTICE. CONFIDENTIAL

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PAGE 02 MADRID 06999 02 OF 02 081440Z

ANOTHER RIGHT-WING VETERANS ORGANIZATION WHOSE CHAIRMAN FOR POLITICAL STUDIES IS FERNANDEZ DE LA MORA, A FORMER MINISTER OF PUBLIC WORKS, ANNOUNCED NOV 4 THAT IT INTENDED TO SET ITSELF UP AS A POLITICAL ASSOCIATION KNOWN AS THE "SPANISH POPULAR UNION". THIS GROUP ALREADY HAS TAKEN OVER CONTROL OF FORMER OPUS DEI NEWSPAPER "NUEVO DIARIO" DESIDES HAVING ITS OWN ORGANIZATIONAL PAPER. RIGHT-WING MEMBERS OF ANOTHER WELL-KNOWN ORGANIZATION, "THE FORMER MEMBERS OF THE YOUTH FRONT", WHICH HAS BEEN LED IN RECENT YEARS BY CANTARERO DEL CASTILLO, A FERVENT SUPPORTER OF POLITICAL LIBERALIZATION, HAVE ANNOUNCED THAT THEY WOULD SEEK HIS RMOVAL AT A FORTHCOMING MEETING. FOREGOING ISOLATED EVENTS ILLUSTRATE PRESSURE BEING GENERATED BY RIGHT-WING GROUPS TO LIMIT PRESENT FOVT'S LIBERALIZATION PROGRAM AND TO ORGANIZE THEMSELVES PRIOR TO NEW LAW ON POLITICAL ASSOCIATIONS.

6. ANOTHER SYMPTOMATIC INDICATION OF GREATER PRESS CAUTION WAS POSTPONEMENT OF APPEARANCE BY FORMER PORTUGUESE MINISTER RAUL REGO, EDITOR OF "REPUBLICA" WHO ARRIVED IN SPAIN NOV 6. REGO WAS SCHEDULED TO SPEAK NOV 7 BEFORE MADRID PRESS ASSOCIATION BUT THIS WAS CANCELLED AT THE LAST MINUTE. HE APPEARED IN BARCELONA NOV 6 FOR PURPOSE OF BEING ON HAND FOR PUBLICATION OF ONE OF HIS BOOKS, AND IS SCHEDULED TO APPEAR NOV 8 AT CEREMONY IN MADRID ON PUBLISHING OF BOOK "LE MONDE" CORRESPONDENT NOVAIS CONCERNING ASSASSINATION OF HUMBERTO DELGADO.

7. SOME COMMENTATORS HAVE PRAISED CORTES DEPUTY ESCUDERO RUEDA FOR HIS STATEMENT OCT 31 URGING THAT MINISTERIAL CRISIS BE EXPLAINED TO SPANISH PEOPLE THROUGH PARLIAMENTARY QUESTIONING OF GOVT. ALTHOUGH HIS PROPOSAL CAME TO NOUGHT IN CORTES, COMMENTATORS HAVE USED CIRCUMSTANCE TO POINT OUT

ABSENCE OF TRULY DEMOCRATIC PARLIAMENTARY SYSTEM IN SPAIN.
NEWS COMMENTATORS, THEREFORE, DRAW CONCLUSION THAT ONLY WAY FOR
SPANIARDS TO LEARN BACKGROUND OF GOVT CHANGES IS THROUGH
LIBERALIZED PRESS.

8. IN FIRST PUBLIC STATEMENTS AS NEW MINISTER OF INFORMATION
AND TOURISM, LEON HERRERAN TOLD "ACTUALIDAD ECONOMICA"
NOV 7 THAT HE BELONGED TO NATIONAL MOVEMENT AND WOULD SUPPORT
POLICY OF HAVING MEDIA PREPARE WAY FOR POLITICAL DEVELOPMENT
BUT ALWAYS WITH EYE ON VER ONE'S HOUODER TO INSURE THAT REALISTIC
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PAGE 03 MADRID 06999 02 OF 02 081440Z

PATH WAS BEING FOLLOWED. FOR HERRERA, SUPREME VIRTUES FOR
SPANISH POLITICIAN TODAY WERE "VISION" AND "PRUDENCE". IN
SAME MAGAZINE NEW MINISTER OF FINANCE, CABELLO DE ALBA, SAID
HE BELIVED IT WAS NOT FEASIBLE "TO DO ANYTHING BY TURNING
ONE'S BACK ON THE MEDIA. I AM A MAN WITH AN OPEN DOOR;
THE COUNTRY SHOULD ALWAYS BE INFORMED ABOUT WHAT A MINISTER
IS DOING." IN BRIEF APPEARANCE IN PARLIAMENTARY COMMITTEE NO. 2
CABELLO SAID HE WOULD DIRECT FINANCE MINISTRY IN MANNER
WHICH WOULD ACHIEVE "SOCIAL JUSTICE AND SOCIAL/ECONOMIC
REFORMS NEEDED IN SPAIN."

9. COMMENT: EMBASSY IS INCLINED TO AGREE WITH SOME
OBSERVERS THAT ONE OF FUNDAMENTAL ISSUES ALONG WITH PRESS
FREEDOM WHICH WAS AT ROOT OF RECENT MINISTERIAL CRISIS
WAS PROPOSAL TO PERMIT POLITICAL ASSOCIATIONS. TWO DIFFERENT
PROPOSALS HAVE BEEN DISCUSSED IN NATIONAL MOVEMENT AND IN
PRESIDENCIA RIGHT-WING FORCES HAVE OPPOSED ARIAS' SOMEWHAT
OPEN-ENDED CONCEPT OF POLITICAL ASSOCIATIONS BEING ALLOWED
TO FUNCION WITH ONLY LOOSE TIES WITH MOVEMENT AND INSISTED
THAT THEY OPERATE UNDER DIRECT SUPERVISION OF MOVEMENT'S
NATIONAL COUNCIL. DRAFT LAW ON ASSOCIATIONS IS SCHEDULED TO
BE DISCUSSED IN CABINET NOV 8 AND, IN ANTICIPATION THEREOF,
ISSUE CAME TO A HEAD IN PRECEDING WEEK. FROM ALL APPEARANCES
RIGHT-WING HAS WON AN IMPORTANT ROUND AND MAY BE IN A POSITION
TO BLOCK THE EMERGENCE OF GENUINE POLITICAL ASSOCIATIONS
WITH ANY REAL AUTONOMY. POLITICAL ASSOCIATIONS ARE THE TOUCH-
STONE OF ANY REAL POLITICAL LIBERALIZATION IN SPAIN, THE MEASURE
OF ARIAS' SUCCESS IN LAYING THE POLITICAL BASIS FOR POST-FRANCO
SPAIN WILL DEPEND GREATLY ON THE DEGREE OF FREE POLITICAL
PARTICIPATION SPANIARDS ACHIEVE UNDER PROSPECTIVE LAW ON
ASSOCIATION.
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